

National Committee on Pay Equity

1201 Sixteenth Street, Northwest • Room 422 • Washington, D.C. 20036 • 202 / 822-7304

EXECUTIVE DIRECTOR
Claudia Wayne

CHAIR
Eileen M. Stein
Women's Legal Defense
Fund

TREASURER
Jo Uehara
Organization of Pan-Asian
American Women

BOARD OF DIRECTORS
American Association of
University Women

American Civil Liberties
Union

American Federation of
State, County and
Municipal Employees

American Library
Association

American Nurses'
Association

Asian-Pacific American Bar
Association, Greater
Washington D.C. Area

Business and Professional
Women's Foundation

Center for Women in
Government

Coalition of Labor Union
Women

Communication Workers of
America

Industrial Union
Department, AFL-CIO

International Union of
Electronic, Electrical
Technical, Salaried and
Machine Workers

League of Women Voters

Mexican-American
Women's National
Association

National Bar
Association, Women's
Division, Greater
Washington Area Chapter

National Commission on
Working Women

National Conference of
Puerto Rican Women

National Education
Association

National Organization for
Women

National Union of Hospital
and Health Care
Employees, NNU, AFL-CIO

NYS National Association
of Working Women

Service Employees
International Union

United Methodist Church

Women's National
Democratic Club

Women Employees

Testimony of

Eileen Stein, Chair

National Committee on Pay Equity

before the

House Subcommittee

on

Compensation and Employee Benefits

July 23, 1985

My name is Eileen Stein. I am Chair of the National Committee on Pay Equity representing the Woman's Legal Defense Fund, and a former General Counsel of the U.S. Commission on Civil Rights. The National Committee on Pay Equity, founded in 1979, is the only national coalition working exclusively to eliminate wage discrimination and achieve equitable pay for all workers. The Committee has over 300 organizational and individual members, including international labor unions, major women's and civil rights groups, and legal associations as well as educational and grassroot organizations.

The purposes of the National Committee include:

- *Eliminating race and sex discrimination from the wage setting process;
- *Providing leadership, coordination and strategy direction to members and other pay equity advocates;
- *Providing assistance and information to the growing number of public officials, labor unions, women's groups and other organizations and individuals pursuing pay equity;
- *Stimulating new pay equity activities; and
- *Bringing national and local attention to the issue.

In our testimony today, we would first like to briefly describe how the problem of sex-and race-based wage discrimination and the goal of pay equity is rapidly becoming realized as one of the most important economic issues in the lives of women and minorities in the United States today.

Secondly, we would like to emphasize the importance of looking at race as well as sex in evaluating wage discrimination.

-2-

Finally, we would like to state our strong endorsement of the proposed pay equity legislation, H.R. 3008, being introduced by Congresswoman Mary Rose Oakar.

As the Committee has previously noted in testimony before this subcommittee, the tremendous amount of state and grassroots activity on this issue provides ample support for the need for the federal government to study its own classification and wage setting practices.

While many people believe that the situation of employed women has improved markedly - particularly with the influx of women into non-traditional jobs -- the facts indicate otherwise. The wage gap between women and men has varied little over the last 30 years.¹ None of the major economic, demographic and political changes of the last 20 years has made any real dent in the wage gap. The growth of white collar industries and the accompanying demand for female labor, the massive entry of women into the labor force and the passage and development of anti-discrimination laws, particularly the Equal Pay Act (EPA) and Title VII of the Civil Rights Act of 1964, have had limited success in breaking down this barrier to equality.

Twenty years of wage corrections required by the Equal Pay Act - which mandates equal wages for men and women performing the same work for the same employer - have brought higher wages for thousands of women, but have not reduced the wage gap because relatively few women hold the same jobs as men. Similarly, although affirmative action measures have created many new job opportunities for women, they have not reduced the wage gap because the movement of women into non-traditional jobs has not matched the growing number of women workers in traditionally female occupations. Women and minorities have

-3-

a legal right to equal access to all jobs and to be paid fairly - without discrimination - for the work they do perform.

The costs of wage discrimination to families and to society as a whole is often underestimated or ignored. Women work out of economic necessity. With the number of households maintained by single women and multi-earner families experiencing dramatic increases in the last decade, women's income, especially in the context of family support, becomes crucial.² In 1982, 66% of women in the labor force were either single, widowed, divorced or had husbands earning less than \$15,000 a year.³

A disproportionate percentage of these women are from racial and ethnic minorities and bear the major burden for family support. For example, in 1982, almost 36% of all Black families headed by working women fell below the poverty level.⁴

Further, the lower the income bracket of a couple, the more dependent the family becomes on the woman's income. Such facts instantly dispel any notion that pay equity is a middle class white women's or anti-family issue. It is obvious that the groups hardest hit by discriminatory pay practices are poor families, especially those that are minority and female headed.

In addition, the effects of discriminatory wages follow women into old age. Low lifetime earnings are translated into lower social security and pensions in retirement. Among the elderly, 60% are women, of which 20% fall below the poverty level compared to only 10% of males similarly situated.⁵

-4-

Such facts have not gone unnoticed by the public. Indeed, a national poll commissioned by the National Committee on Pay Equity showed that 69% of U.S. workers think women are not paid as fairly as men for the work they do, and the reason they most frequently cited for this disparity was sex discrimination. To solve this problem, four out of five working Americans surveyed support the principle of pay equity.

The survey was conducted by Marttila and Kiley, a Boston polling firm. Over one thousand working Americans, including equal numbers of men and women, were selected at random and contacted by telephone. The survey was designed to ascertain working people's attitudes toward the wage gap between men and women. Among its conclusions:

- * In unprompted responses, both men and women most frequently point to discrimination as the primary cause of the wage gap.
- * Eighty-three percent of those polled said they believed the wage gap (defined as women earning roughly sixty cents for every dollar men earn) was a serious problem that should be corrected.
- * A majority of those surveyed believe the most important goal of the pay equity struggle is the elimination of a person's sex as a factor in determining wages.
- * A majority of those surveyed believe that occupations dominated by women -- nursing, teaching, and clerical work -- are underpaid. In addition, sixty-one percent of those surveyed said they believed that if most nurses and secretaries were men, "the jobs would pay a lot

-5-

better than they do."

Grassroots support of pay equity is strong and growing. The poll shows that women and men care very much about fairness. Their voices can no longer be ignored.

II. The Importance of Looking at Race as Well as Sex in Evaluating Wage Discrimination

Despite the fact pay equity policies have only recently gained public support as a sex discrimination issue, invidious wage discrimination and job segregation have long been practiced against other disadvantaged racial and ethnic groups. This discrimination has been well documented in court decisions.⁶

Further, Title VII's legislative history and the scholarly literature confirm that racially discriminatory wage practices and policies are illegal.⁷ In fact, the first lawsuit based upon the principle of wage comparability involved a claim of race-based wage discrimination.⁸

A study of both race and sex discrimination is both valid and sensible given the scope and concerns of Title VII. While pay equity is the single most important issue affecting all women seeking economic equity in the workplace, the issue is even more significant to women of color who continue to suffer the brunt of economic discrimination in today's society.

On the average, women who work full time, year-round are paid about 65¢ for every dollar paid to men.⁹ However, for women of color, the gap is greater. For every man's dollar paid in 1984, Hispanic women were paid 55¢ and Black women 59¢.¹⁰ Women of color face the twin barriers of gender and racial discrimination.

In addition, women of color are concentrated into even fewer occupations with lower wages than white women. For example, fifty-four percent of Black women are in two of the 12 major occupations--clerical and service workers--

-6-

whereas 51 percent of white women are in those occupations. Black women are more likely to be found in service (29.8 percent) or blue collar jobs (clerical, sales, professional, managerial) than are white women. More than 81% of Hispanic women and 75% of Asian Pacific women are concentrated in clerical and blue collar (crafts, operatives, and laborer) and service occupations--Mexican American- 82.6%; Puerto Rican- 81%; and Cuban 84.5%.¹¹

It is for these reasons that at least two states to date--New York and New Jersey--have included both race- and sex-based job segregation in their job evaluation studies.

The significance of pay equity to all women of color was recently highlighted at the Nairobi World Conference to Review and Appraise the Achievements of the U.N. Decade for Women. The conference is being attended by approximately 3,000 official delegates from 159 nations. On July 20, 1985 the Washington Post reported that the U.S. delegation voted to support equal pay for work of equal value and for "legislative measures" that would eliminate "wage differentials between men and women carrying out work of equal value."

All the foregoing reasons present compelling support for the federal government to review its own classification and pay system for sex and race bias. Therefore, the twenty-seven organizations on the Board of Directors of the National Committee on Pay Equity have unanimously endorsed the legislation introduced by Congresswoman Mary Rose Oakar as an important step toward addressing wage discrimination.

FOOTNOTES

1. The Wage Gap: Myths and Facts, National Committee on Pay Equity, 1983.
2. Time of Change: 1983 Handbook on Women Workers, U.S. Department of Labor, Office of the Secretary, Women's Bureau, pp. 17-25. See also, Newsweek, July 15, 1985, pp. 42-43.
3. Deindustrialization and the Two Tier Society: Challenges for An Industrial Policy, Industrial Union Department, AFL-CIO, 1984, p. 29.
4. Testimony submitted by NAACP Legal Defense and Educational Fund on July 11, 1985 regarding to D.C. council on Pay Equity Bill 6-219, p. 2.
5. Time of Change: 1983 Handbook on Women Workers, supra p. 100.
6. See NAACP-LDEF Brief submitted in the ninth circuit appeal, AFSCME v. State of Washington, p. 8; See EEOC v. Inland Marine Indust., 729 F.2d 1229 (9th Cir.), cert. denied, 53 U.S.L.W. 3239 (Oct. 2, 1984); Carpenter v. Stephen F. Austin State Univ., 706 F.2d 608, 625-26 (5th Cir. 1983); James v. Stockham valves & Fittings Co., 559 F.2d 310, 327 (5th Cir. 1977), cert. denied, 434 U.S. 1034 (1978); Wade v. Mississippi Coop. Extension Serv., 528 F.2d 508, 514-16 (5th Cir. 1971); Morris v. Williams, 149 F.2d 703, 708 (8th Cir. 1945); Alston v. School Board., 112 F.2d 992 (4th Cir.), cert. denied, 311 U.S. 693 (1940); Segar v. Civiletti, 508 F. Supp. 690, 712 D.D.C. 1981), aff'd in relevant part sub non., Segar v. Smith, 738 F.2d 1249 (D.C. Cir. 1984); Wells V. Hutchison, 499 F. Supp. 505 (E.D. Va 1968); Thompson v. Gibbes, 60 F. Supp. 872, 878 (E.D.S.C. 1945).
7. See e.g., S. Rep. No. 415, 92d Cong., 1st Sess. 6-7 ("Negroes are concentrated in the lower paying, less prestigious positions in industry"); id. at 9-14; H.R. Rep. No. 238, 92d Cong., 1st Sess. 4; id. at 17-19 (noting perpetuation of segregated job ladders by state and local governments); id. at 23-24. See also, H. Northrup, R. Rowan, D. Barnum and J. Howard, Negro Employment in Southern Industry, Part I at 33 (paper industry), Part II at 36, 40, 55 (lumber industry), Part III at 25, 29-33, 39, 88 (tobacco industry), Part V at 60-68 (textile industry)(1970); H. Hill, Black Labor and the American Legal System, 98-99, 335-38, 352, 357-358 (1977); Watchtel, The Negro and Discrimination in Employment (1965).
8. Quarles v. Phillip Morris, Inc., 279 F.Supp. 505 (E.D. Va 1968).
9. Employment and Earnings, Bureau of Labor Statistics, January 1985.
10. Id.
11. The Wage Gap: Myths and Facts, supra. and Women of Color and Pay Equity, National Committee on Pay Equity, 1984. See also, Time of Change, supra at 30-36.